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UKRAINIAN AND POLISH TRENDS FOR INVESTMENT IN AN AGRICULTURAL COMPLEX

The article examines the peculiarities of investing in the agro-industrial complex (AIC) of Poland and Ukraine, carries out a comparative analysis of the investment climate in both countries, identifies key factors affecting the attractiveness of the agro-industrial complex for investors. The agro-industrial complex (AIC) of Ukraine and Poland has significant potential for investment. Both countries have fertile lands, a favorable climate and a skilled workforce, which makes them attractive to investors seeking high returns on their investments. The agro-industrial complex (AIC) plays a significant role in the economies of Poland and Ukraine. Ensuring food security and sustainable development of rural areas makes it urgent to study the investment attractiveness of the agricultural sector of these countries. Investing in the agricultural sector is the key to the development of the economy of any country.

The purpose of the article "Ukrainian and Polish екymei for investment in the agro-industrial complex" was to review the investment potential, identify promising areas for investment, and explore ways to promote the development of Ukrainian-Polish cooperation. The priority directions of national policies regarding the support of agriculture, rural areas and agrarian markets of Ukraine and Poland were considered. A comparative analysis of the state and ways of realizing the competitive advantages of the agricultural sectors of the two neighboring states was made. In the article, a comprehensive assessment of the comparison of investments in the agro-industrial complex of Poland and Ukraine was carried out, key factors affecting the trends of their change were determined. It was determined that the markets of agricultural products are affected by macroeconomic disturbances. The use of Polish experience in agrarian policy is very important for the European integration process of Ukraine.

The relevance of the mentioned problem is highlighted, because the solution of investment issues will allow to overcome the crisis phenomena in the agro-industrial complex, to restore its production capital, to increase production, and to make Ukrainian products more competitive. This, in turn, will contribute to solving the socio-economic problems of the industry. The formation of a socially oriented market economy in Ukraine is impossible without the reorganization of the agricultural sector, including at the expense of investments.

Keywords: investments, agro-industrial complex, Poland, Ukraine, investment climate, factors.

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1. STATEMENT OF THE PROBLEM IN A GENERAL APPEARANCE AND ITS CONNECTION WITH IMPORTANT SCIENTIFIC OR PRACTICAL TASKS

The agro-industrial complex (APC) of Ukraine and Poland has significant potential for investment. Both countries have favorable

conditions for the development of agro-industrial complex, such as fertile land, a favorable climate and a skilled workforce. This makes them interesting for investors who want to get a high return on their investments. Despite the high potential, investing in the agro-industrial complex of Ukraine and Poland is associated with

certain risks. These risks can be related to political instability, imperfect infrastructure, corruption, fierce competition and other factors.

2. ANALYSIS OF LATEST RESEARCH AND PUBLICATIONS

The investment potential of the agro-industrial complex (APC) of Ukraine and Poland is significant, but the level of investment in both countries differs significantly. The topic of investments was studied by Ukrainian and foreign scientists, in particular, A. Bilochenko (Bilochenko, 2023), O. Gromov (Hromov, 2022), I. Makalyuk, M. Kotsyubaylo (Makalyuk, Kotsyubaylo 2022), T. Kashpunenko (Kashpunenko, 2022), J. Król (Król, J. (2019).

3. SELECTION OF PREVIOUSLY UNSOLVED PARTS OF THE GENERAL PROBLEM TO WHICH THIS ARTICLE IS DEDICATED

Despite the growing interest in cross-border investment, there remains a lack of comprehensive analysis regarding the specific trends and opportunities within the agricultural sectors of Ukraine and Poland. Previous studies have largely focused on the individual economic potentials of these countries, yet the potential for synergistic investment strategies in the agricultural complex, which could enhance Ukrainian-Polish cooperation, has not been thoroughly explored.

4. FORMULATION OF THE PURPOSES OF THE ARTICLE

The purpose of the article was to review the investment potential, identify promising areas for investment, and explore ways to promote the development of Ukrainian-Polish cooperation.

The following research methods were used to study the problem of investing in the agricultural sector of Ukraine and Poland: scientific literature review; comparative analysis of statistical data; expert evaluations.

5. PRESENTATION OF THE MAIN MATERIAL OF THE RESEARCH WITH FULL JUSTIFICATION OF THE OBTAINED SCIENTIFIC RESULTS

The agro-industrial complex (AIC) plays a key role in the incipience of Ukrainian and Polish economies. According to the World Bank, in 2022 (Kristina Dryhola, 2021). IC accounted for 8.2% of Ukraine's GDP and 2.8% of Poland's GDP (Neyrey

M. V., Taranenko A. A., Kostenko I. S. 2022). Despite the significant potential, the agricultural sector of Ukraine faces several challenges, such as lack of investment, outdated infrastructure, low innovation level, and unfavorable business conditions. On the other hand, the agricultural sector of Poland shows steady growth due to significant investments, modern infrastructure, a high level of innovation, and favorable business conditions (Rybchak M., 2018). The purpose of the article is to carry out a comprehensive assessment of the investment's comparison in the agro-industrial complex of Poland and Ukraine, to determine the key factors affecting the trends of their change.

The agro-industrial complex (AIC) investment potential of Ukraine and Poland is significant, but the level of investment in both countries noticeably differs [6]. The issues of investing in agro-industrial complex were studied by Ukrainian and foreign scientists, in particular, A. Bilochenko (Bilochenko A, 2023), O. Gromov (Hromov O., 2022), I. Makaliuk, (M. Kotsyubaylo Makalyuk I. V., Kotsyubaylo M. R. 2022), J. Król (Król, J., 2019) and others.

Economic changes in Ukraine are the source of need to review and update the theoretical and methodological foundations used to understand and analyze market relations. This applies to many key categories that are fundamental to the market functioning. It is necessary to reestimate and adapt to new conditions such concepts as demand, supply, price, competition, equilibrium, and others. These categories should evolve to better correspond to the modern Ukrainian economic realities. Reestimating the market categories requires a thorough analysis and research of new trends emerging in the economy. This will help to understand how the market functions in the conditions of transformations, to develop effective tools for its regulation and stimulation.

Investment activity in the agro-industrial complex (AIC) is a multifaceted phenomenon that is influenced by a wide range of factors (Dryhola K., 2019). In recent years, Poland has demonstrated secure economic growth and a stable political situation, which makes it attractive to investors. In Ukraine, favorable factors are much less, among them unfavorable investment climate, limited access to loans, insufficient state support, underdeveloped infrastructure, and low level of personnel qualification. States must consider the dependence of the agricultural sector on several

factors beyond their control, such as weather, price fluctuations, the political situation, and other macroeconomic factors. Investments in agro-industrial complexes usually have a longer payback period compared to other sectors of the economy, which can scare off investors looking for a quick profit (Makalyuk I., Kashpurenko T., 2022).

Before the Russian full-scale invasion, Ukraine was one of the five largest exporters of grain in the world by export volume, exporting ¾ of its production, while domestic consumption of grain was only 20-25%. Ukraine supplied 10% of world wheat exports, more than 14% of corn, and more than 47% of sunflower oil [4].

Currently, owing to the help of partners, Ukraine remains a key supplier on the world market of grain and sunflower oil with a share of more than 10% in international trade. In 2023, 16.1 million tons of wheat were exported to 65 countries, 26.2 million tons of corn to 80 countries, and 5.7 million tons of sunflower oil to 130 countries.

Meanwhile, ongoing hostilities in Ukraine following a large-scale attack by the Russian Federation on February 24, 2022, have led to worsening food security in Ukraine, mainly due to violations. freight transport chains destroyed infrastructure, farms, and production, and reduction of food production volumes by existing companies (Kropyvko M. 2022).

As of June 2023, the amount of direct damage caused to the agro-industrial complex in Ukraine is \$8.7 billion (damages from destruction and damage to agricultural machinery amount to more than \$4.7 billion; damage from destruction and theft of industrial products is estimated at \$ 1.9 US). Indirect losses of the agro-industrial complex are estimated at US\$ 40.3 (1).

The transformation of Ukraine's economy is a complex process that requires complex and balanced approaches (Krupinskyi E., 2022). Amending and updating the theoretical and methodological foundations of understanding market relations is an important component of this process, which will help ensure its success. Economic development is impossible without high investment activity (Kakhovych O., 2019). This activity is achieved by increasing the volume of realized investment resources and their maximum effective use in priority sectors of the economy and social sphere (Zinchuk T., 2020).

This is an investment that form the production potential on the new scientific and technical base and determine the country's competitive position on world markets. Investment activity, as well as a set of practical actions for investment implementation, is one of the main means of increasing national income.

The GDP of the Polish agro-industrial complex is 2.8% of the total GDP of the country, which is significantly lower than in Ukraine, where this indicator reaches 8.2% (2022 data). Based on these data, it can be concluded that the agricultural sector plays a crucial role in the economy of Ukraine than in Poland. In Ukraine, the agro-industrial complex (AIC) plays an important t role in stimulating economic growth, compared to Poland. In Ukraine, the share of employed people in agriculture is also higher than in Poland. This is due to the greater share of the rural population in Ukraine, as well as lower economic diversification.

The state policy regarding the development of the agro-industrial complex of Poland and Ukraine demonstrates a high level of efficiency.

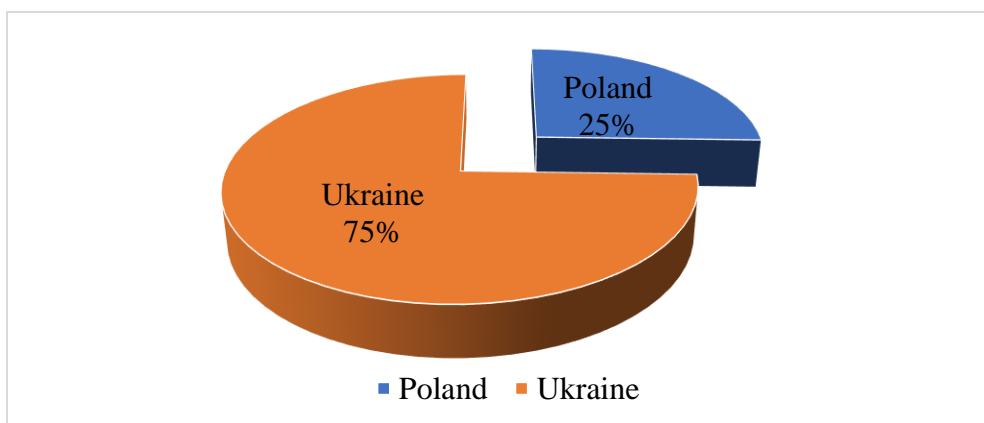


Figure 1. GDP of the agro-industrial complex of Poland and Ukraine [6]

Source: developed by the authors

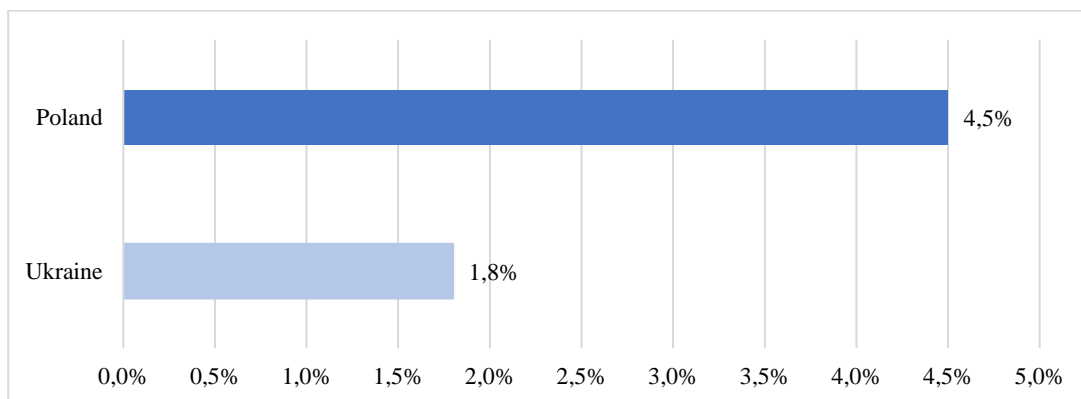


Figure 2. The investment level in the agricultural industry of Poland and Ukraine [4]

Source: developed by the authors based on research (Orlovska J.,2023).

The strategy for the development of agriculture and rural areas of Poland for 2023-2027, which focuses on supporting family farms, developing rural infrastructure, increasing investments in agriculture, and increasing the competitiveness of Polish agriculture on the European and world markets (Neyrey M. V., Taranenko A. A., Kostenko I. S. 2022).

Agro-industrial complex (AIC) is one of the priority areas of investment in Poland and Ukraine. This sector has significant potential for development, but also faces several challenges.

In Poland, according to OECD data, the level of investment in Poland's agricultural sector in

2023 was 4.5% of GDP. This is remarkably higher than in Ukraine (1.8% of GDP). The effectiveness of investments in the agricultural sector of Poland is relatively high. Labor productivity in agriculture in Poland in 2023 was 2.5 times higher than in Ukraine.

in contrast to Poland, the level of investments in agriculture as of 2023 in Ukraine was 1.8% of GDP. This is weighty lower than in Poland (4.5% of GDP). The effectiveness of investments in the agricultural sector of Ukraine is relatively low. Labor productivity in agriculture in Ukraine in 2023 was 2.5 times lower than in Poland [21].

Table 1

Investment activity of the agricultural sector of Poland and Ukraine (Poplavska Zh., Limanskyi A., 2023)

Criterion	Poland	Ukraine
Market Size	\$127.5 billion	\$44.4 billion
Growth Rate	2.5% (2023)	5.5% (2023)
Level of Government Support	High	Medium
Infrastructure	Well-developed	Requires modernization
Land Resources	31.2 million Ha	42.8 million Ha
Workforce Qualification	High	Low
Political Stability	High	Low
Risk Level	Low	High

Source: developed by the author based on research [25]

Under the condition of concerted actions and a strategic approach, the investment attractiveness of the agricultural sector can be significantly increased, which will contribute to

its dynamic development and strengthening of the national economy [18].

Therefore, the numerous obstacles to the development of agricultural sector enterprises

that existed in peacetime, including those caused by the specifics of the industry, were supplemented by war risks (Vlasov V., 2019). In ircp conditions, it is extremely important to promote the improvement of the investment climate of both the economy in general and the agricultural sector in particular, which should become the primary task of our state when planning post-war recovery (Krupinskyi E. 2022). The state should support farmers by using existing tools (tax benefits, lending at low-interest rates, etc.) and attracting new ones (for example, digitalization of the economy and tokenization of assets). Following the above mentioned, a thorough study of the factors of negative impact on the activities of agrarians, their "weaknesses" and the identification of potential reserves for the post-war recovery of enterprises in the agrarian sector, including through the improvement of institutional mechanisms, are prospects for further scientific research in this direction.

6. CONCLUSIONS FROM THIS RESEARCH AND PROSPECTS FOR FURTHER EXPLORATION IN THIS DIRECTION

Increasing the investment attractiveness of the agro-industrial complex is a critically important task for many countries. Increased investment in agro-industrial complex can contribute to the development of rural areas, increase food production, create jobs and strengthen food security.

To increase the investment attractiveness of the agricultural sector, it is necessary to take a comprehensive approach:

1. Reduction of risks due to improvement of insurance systems, stabilization of prices and improvement of the political climate.

2. Shortening the payback period of investments with the help of tax benefits, simplification of procedures and ensuring access to loans.

3. Training of qualified personnel through the development of professional and technical education and increasing the prestige of professions in the agricultural sector.

4. Deveopment of infrastructure through investmnt in roads, energy supply, Internet, and social infastructure of rural areas.

The potential for investment in the agro-industrial sector in Ukraine and Poland is large and continues to grow. Both countries have significant land resources, a favorable climate, and developed infrastructure for the development of agriculture. Ukraine has great potential for increasing the production of agricultural products thanks to its extensive land resources and relatively low production costs. Poland, in turn, is known for its high-quality agricultural products and efficient farm management. Investing in the agro-industrial sector of Poland can be a profitable investment decision. It is important for investors to consider not only the country's potential for production but also political and economic stability, as well as regulatory conditions and government support. The growing demand for food products, both domestic and foreign, contributes to the development of the agro-industrial sector in both countries and makes them attractive to investors. Considering all these factors, investing in the agro-industrial complex of Ukraine and Poland can be a promising investment decision with the potential for stable income and capital growth in the future.

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Анотація
ЛЕВЧУК Анна, ЮРЧИШЕН Дмитро
УКРАЇНСЬКИЙ ТА ПОЛЬСЬКИЙ ТЕРЕНИ ДЛЯ ІНВЕСТУВАННЯ
В АГРОПРОМИСЛОВИЙ КОМПЛЕКС

У статті досліджено особливості інвестування в агропромисловий комплекс (АПК) Польщі та України, здійснено порівняльний аналіз інвестиційного клімату в обох країнах, визначено ключові фактори, що впливають на привабливість АПК для інвесторів. Агропромисловий комплекс (АПК) України та Польщі має значний

потенціал для інвестування. Обидві країни володіють родючими землями, сприятливим кліматом та кваліфікованою робочою силою, що робить їх привабливими для інвесторів, які прагнуть отримати високу рентабельність своїх вкладень. Агропромисловий комплекс (АПК) відіграє істотну роль в економіках Польщі та України. Забезпечення продовольчої безпеки та сталого розвитку сільських територій робить актуальним дослідження інвестиційної привабливості АПК цих країн. Інвестування в аграрну сферу – це ключ до розвитку економіки будь-якої країни.

Метою статті «Український та польський терени для інвестування в агропромисловий комплекс» був огляд інвестиційного потенціалу, виявлення перспективних напрямків інвестування, вивчення сприяння розвитку українсько-польського співробітництва. Розглянуто пріоритетні напрями національних політик щодо підтримки сільського господарства, сільських територій та аграрних ринків України і Польщі. Зроблено порівняльний аналіз стану і шляхів реалізації конкурентних переваг аграрних секторів двох сусідніх держав. У статті здійснено комплексну оцінку порівняння інвестицій в агропромислому комплексі Польщі і України, визначено ключових факторів, що впливають на тенденції їх зміни. Визначено, що на ринки сільськогосподарської продукції впливають макроекономічні збої. Використання польського досвіду в аграрній політиці є дуже важливим Європейський інтеграційний процес України.

Висвітлено актуальність означеної проблеми, адже вирішення інвестиційних питань дозволить подолати кризові явища в агропромисловому комплексі, відновити його виробничий капітал, збільшити виробництва, зробити українську продукцію більш конкурентоспроможною. Це, в свою чергу, сприятиме вирішенню соціально-економічних проблем галузі. Формування соціально орієнтованої ринкової економіки в Україні неможливе без реорганізації аграрного сектора, в т. ч. за рахунок інвестицій.

Ключові слова: інвестиції, агропромисловий комплекс, Польща, Україна, інвестиційний клімат, фактори.

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